

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

12860 CROSSROADS PARKWAY SOUTH • CITY OF INDUSTRY, CALIFORNIA 91746
Tel (562) 908-8400 • Fax (562) 908-0459



BRYCE YOKOMIZO
Director

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Third District

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MICHAEL D. ANTONOVICH
Fifth District

April 19, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**RECOMMENDATION TO AWARD CONTRACT TO HEALTH ADVOCATES, LLP TO
PROVIDE SUPPLEMENTAL SECURITY INCOME (SSI) APPEALS
REPRESENTATION SERVICES FOR GENERAL RELIEF (GR) AND CASH
ASSISTANCE PROGRAM FOR IMMIGRANTS (CAPI) PARTICIPANTS**

(ALL DISTRICTS – 3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD

1. Find that SSI appeals representation services can be performed more economically by Contractor than by County employees.
2. Approve and instruct the Chair to sign the enclosed Proposition A Contract with Health Advocates, LLP, a Limited Liability Partnership, effective the day after Board approval or June 1, 2005, whichever is later, at a maximum Contract amount of \$3,300,000 for the three-year term of the Contract to provide SSI appeals representation services to General Relief (GR) and Cash Assistance Program for Immigrants (CAPI) participants in their disability hearings before the Social Security Administration. The cost associated with services for CAPI participants of \$25,000 annually is financed with 100% State funds. The cost associated with services for GR participants is financed with 100% County funds and results in an estimated Net County Cost (NCC) of \$1,075,000 annually. Funding for this Contract is included in the FY 2004-05 Final Adopted Budget.

"To Enrich Lives Through Effective And Caring Service"

3. Delegate authority to the Director, Department of Public Social Services (DPSS), to prepare and sign Contract amendments for any increases or decreases of no more than 10 percent of the total Contract amount when the change is necessitated by additional and necessary services that are required for the Contractor to comply with changes in federal, State, or County requirements. The approval of County Counsel and the Chief Administrative Office (CAO) will be obtained prior to executing such amendments and the Director will notify the CAO in writing within ten business days after execution.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

SSI appeals representation services are currently provided for GR participants through a contract with the Law Offices of Devermont and Devermont which expires on August 3, 2005. The proposed Contract with Health Advocates, LLP will replace that contract and ensure the County continues to provide these services to both GR and CAPI participants. SSI appeals representation services are needed to assist GR and CAPI participants in their disability hearings before the Social Security Administration. Participants who are successful in their appeals are approved for SSI and State-funded Medi-Cal, and, therefore, terminated from GR/CAPI, resulting in savings to the County and State.

Implementation of Strategic Plan Goals

The recommendations are consistent with the principles of the Countywide Strategic Plan Goal #1 (Service Excellence) to provide the public with easy access to quality information and services, and Goal #4 (Fiscal Responsibility) to strengthen the County's fiscal capacity.

FISCAL IMPACT/FINANCING

The maximum amount of this Contract for the three-year period is \$3,300,000. The maximum annual cost of the Contract is \$1,100,000. The share of costs associated with services for CAPI participants of \$25,000 annually is financed with 100% State funds. The costs associated with services for GR participants is financed with 100% County funds and results in an estimated NCC of \$1,075,000 annually. Funding for this contract is included in the FY 2004-05 Final Adopted Budget.

The Contract provides for a fixed unit cost of \$850 per SSI approval for the three-year period with no cost-of-living increase. The Contractor will be paid monthly in arrears for each successful SSI appeal.

The Proposition A Contract cost analysis for the three-year term of the Contract indicates a cost savings of \$569,100. The cost analysis is based on comparing the Contract cost to the cost of having County Counsel staff perform these services (Attachment I). County cost included in the cost analysis reflects the estimated cost of GR SSI representation only. However, as indicated in Attachment I, comparison of these costs to the Contractor's cost produces substantial cost savings. The addition of County cost associated with CAPI representation (which are estimated to be minimal) will only further increase the level of savings through contracting. With this cost analysis, the Department determined that it would be more economical for SSI appeals representation services to be provided through a Contract rather than by County employees.

The Auditor-Controller validated the accuracy of the computation of estimated cost savings, subject to the Department's workload estimates.

FACTS AND PROVISIONAL/LEGAL REQUIREMENTS

In 1990, pursuant to the settlement agreement in the City of Los Angeles vs. County of Los Angeles lawsuit, the County agreed to assist participants identified as SSI eligible, due to physical or mental disability, with SSI hearing representation services when SSI is denied at the reconsideration level.

In May 2002, the Department implemented its CAPI SSI Advocacy Program in response to the State's budget crisis.

The County's Proposition A and Living Wage Ordinance provisions apply to this proposed Contract, as County employees can perform these contracted services. The Contract complies with all of the requirements of Los Angeles County Code Section 2.160, Living Wage Program. The Contractor will pay employees no less than the required \$8.32 per hour, with health benefits, as specified in the Living Wage Ordinance.

The Contract term will be for three years, commencing June 1, 2005, and will continue through May 31, 2008.

The award of this Contract will not result in unauthorized disclosure of confidential information and will be in full compliance with federal, State and County regulations.

There is no employee impact as a result of this Contract since services are currently being provided by Contract.

The Contract includes a provision for the Contractor to first consider hiring County employees targeted for layoff or qualified former County employees who are on a reemployment list during the life of the Contract when filling future vacancies. The Contract also requires that the Contractor consider hiring participants of the Greater Avenues for Independence (GAIN) and General Relief Opportunities for Work (GROW) programs.

The Contractor will not be asked to perform services which will exceed the approved Contract amount, scope of work, or contract dates.

The Contract contains Contractor Responsibility and Debarment language.

Provisions for the County's Jury Service Program have been included in the Contract. The Contractor is in compliance with the Jury Service Program.

The Contract complies with all of the requirements of Los Angeles County Code Section 2.121.380, which is a mandatory prerequisite for the award of this Contract.

The County may terminate the Contract with a thirty (30) day prior written notice. The Contract also contains a provision that limits the County's obligation if the Board of Supervisors does not appropriate funding for each year of the Contract.

The Safely Surrendered Baby Law provision is included in the Contract, which requires the Contractor to notify and provide a fact sheet to their employees regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where to safely surrender a baby.

The Contract complies with all of the requirements of the County's Child Support Compliance Program.

The Contract has been approved as to form by County Counsel.

CONTRACTING PROCESS

In October 2003, DPSS released a Request for Proposal (RFP) to provide GR SSI appeals representation services. Interest in this RFP was generated through advertisements in 17 newspapers, including publications targeting the minority communities, mailing Letters of Interest to 108 potential bidders and advertising on the

Office of Small Business (OSB) Internet website. In response, 13 firms requested the RFP and three proposals were submitted. All three proposals were evaluated and Health Advocates, LLP received consistently higher scores in all evaluated areas. While Health Advocates, LLP was not the lowest-cost bid, they were the highest ranked proposer, and their proposal offered superior service and was determined to have more corporate qualifications and capabilities than the competing proposals.

On November 4, 2004, DPSS sent letters to the non-recommended proposers notifying them that they were not being recommended for Contract award based on the evaluation of their proposals. In addition, the Department offered to debrief interested proposers on their respective proposal evaluations. As a result, we received one letter of protest from ONE-877-4-DISABILITY. The Department followed the new County-wide Protest Policy in handling this protest and it was denied.

During Contract negotiations with Health Advocates, LLP, it was discovered that the intent of the RFP regarding face-to-face interviews with the GR/CAPL participants lacked clarity which led to the proposer interpreting it differently. In lieu of acquiring additional office space to conduct participant interviews, the proposer's intention was to seek approval from our Department to conduct phone interviews or co-locate staff in our GR district offices and, therefore, did not include a provision for space costs in their initial cost proposal. The Department does not have the space to accommodate additional co-located staff and is not in support of phone interviews in lieu of face-to-face contact. To remedy this issue, the proposer, at the request of the County, re-evaluated its proposed fee structure and resubmitted a bid of \$850 per SSI approval (\$200 dollars more than their initial bid of \$650 per case). All three proposals were re-evaluated, considering Health Advocates, LLP's adjusted bid amount, and Health Advocates, LLP continued to be the highest ranked proposer.

Additionally, since Health Advocates, LLP also represents Medi-Cal applicants at fair hearings where the County may be the opposing party, they have requested that the County acknowledge and waive this potential conflict of interest. We have discussed this with County Counsel and have been advised that the County will waive the conflict of interest; however, this waiver will be in a separate stand-alone letter instead of incorporating it into the contract.

The Local Small Business Enterprise (SBE) program's provisions were included in the RFP. No proposer claimed to be certified as a Local SBE vendor and no Local SBE credit was applied in the RFP's evaluation process. Attachment II contains copies of the Community Business Enterprise Program forms submitted by Health Advocates, LLP and Devermont and Devermont. ONE-877-4-DISABILITY did not include this form in its proposal.

Honorable Board of Supervisors
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The initial solicitation document for this Contract requested proposals for GR SSI appeals representation services only. Subsequent to the release of the RFP, the State enacted W&IC Section 18939 (d) requiring the State to reimburse counties for the cost of successful SSI appeals for CAPI participants. Since these services are substantially similar, we have incorporated CAPI SSI Appeals representation services into the GR SSI Appeals Representation Services Contract. We anticipate this addition will have minimal impact on the services outlined in the Contract, as we estimate an additional workload of five referrals per month.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The award of this Contract will not infringe on the role of the County in relationship to its residents. The County's ability to respond to emergencies will not be impaired. There is no change in risk exposure to the County. The Contract is in compliance with all of the requirements of Los Angeles County Code Chapter 2.121.380, a mandatory prerequisite for the award of the contract.

CONCLUSION

Upon approval and execution by the Board, the Executive Officer, Board of Supervisors, is requested to return one adopted, stamped Board Letter and four original signed copies of the Contract to the Department of Public Social Services.

Respectfully submitted,



Bryce Yokomizo, Director

BY:ld

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Office of Affirmative Action and Compliance

**PROPOSITION A CONTRACTING COMPARISON OR ESTIMATED AVOIDABLE
COSTS TO THE COST OF CONTRACTING SSI APPEALS REPRESENTATION
SERVICES**

(June 1, 2005 through May 31, 2008)

COUNTY COSTS

Direct Costs

Salaries	\$ 827,000
Employee Benefits	\$ 276,000
Bilingual Bonus	\$ 2,400
Other Services & Supplies	\$ 115,000
Office Space	\$ 69,300

TOTAL COUNTY COSTS: \$ 1,289,700 annually

CONTRACT COSTS

Direct Costs

Contract Costs	\$1,100,000 annually
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Estimated County Cost Savings \$189,700 annually

Attachment II

County of Los Angeles – Community Business Enterprise Program Health Advocates, LLP

County of Los Angeles – Community Business Enterprise Program (CBE) Request for Local SBE Preference Program Consideration and CBE Firm/Organization Information Form

INSTRUCTIONS: Submit this completed form with your bid only if your firm is a County of Los Angeles certified Local SBE vendor and you are requesting a preference in the evaluation for this work order.

LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM

FIRM NAME: HEALTH ADVOCATES, LLP

- ☒ I AM NOT ☐ A Local SBE certified by the County of Los Angeles Office of Affirmative Action Compliance as of the date of this proposal/bids submission.
- ☐ As an eligible Local SBE, I request this proposal/bid be considered for the Local SBE Preference.
- My County (WebVen) Vendor Number _____

FIRM/ORGANIZATION INFORMATION: The information requested below is for statistical purposes only. On final analysis and consideration of award, CONTRACTOR/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.

Business Structure: ☐ Sole Proprietorship ☒ Partnership ☐ Corporation ☐ Non-Profit ☐ Franchise
☐ Other (Please Specify) _____

Total Number of Employees (including owners): 150 (AS OF MARCH 1, 2004)

Race/Ethnic Composition of Firm: Please distribute the above total number of individuals into the following categories:

Race/Ethnic Composition	Owners/Partners/ Associate Partners		Managers		Staff	
	Male	Female	Male	Female	Male	Female
Black/African American				2	3	2
Hispanic/Latino			5	6	10	55
Asian or Pacific Islander				1	7	16
American Indian					0	0
Filipino					8	1
White	2		6	3	3	12


PERCENTAGE OF OWNERSHIP IN FIRM: Indicate by percentage (%) how ownership of the firm is distributed:

	Black/African American	Hispanic/Latino	Asian or Pacific Islander	American Indian	Filipino	White
Men	%	%	%	%	%	100 %
Women	%	%	%	%	%	%

CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERAN BUSINESS ENTERPRISES: If your firm is currently certified as a minority, women, disadvantaged or disabled veteran owned business enterprise by a public agency, complete the following and attach a copy of your proof of certification. (Use back of form, if necessary.)

Agency Name	Minority	Women	Dis- advantaged	Disabled Veteran	Expiration Date
N/A					

DECLARATION: I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE.

Print Name	Signature	Print Title	Date
AL LEIBOVIC		PARTNER	02/26/04

County of Los Angeles – Community Business Enterprise Program Devermont and Devermont (Cont'd)

County of Los Angeles – Community Business Enterprise Program (CBE)

Request for Local SBE Preference Program Consideration and CBE Firm/Organization Information Form

INSTRUCTIONS: Submit this completed form with your bid only if your firm is a County of Los Angeles certified Local SBE vendor and you are requesting a preference in the evaluation for this work order.

I. LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM:

FIRM NAME: Law Offices of Devermont and Devermont, A Professional Corp.

☒ I AM NOT ☐ A Local SBE certified by the County of Los Angeles Office of Affirmative Action Compliance as of the date of this proposal/bids submission.

☐ As an eligible Local SBE, I request this proposal/bid be considered for the Local SBE Preference.

My County (WebVen) Vendor Number : _____

II. FIRM/ORGANIZATION INFORMATION: The information requested below is for statistical purposes only. On final analysis and consideration of award, CONTRACTOR/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.

Business Structure: ☐ Sole Proprietorship ☐ Partnership ☒ Corporation ☐ Non-Profit ☐ Franchise
☐ Other (Please Specify) _____

Total Number of Employees (including owners): 11

Race/Ethnic Composition of Firm. Please distribute the above total number of individuals into the following categories:

Race/Ethnic Composition	Owners/Partners/ Associate Partners		Managers		Staff	
	Male	Female	Male	Female	Male	Female
Black/African American						
Hispanic/Latino					1	1
Asian or Pacific Islander					1	
American Indian						
Filipino						
White	1			2	2	3

III. PERCENTAGE OF OWNERSHIP IN FIRM: Indicate by percentage (%) how ownership of the firm is distributed.


	Black/African American	Hispanic/Latino	Asian or Pacific Islander	American Indian	Filipino	White
Men	%	%	%	%	%	100 %
Women	%	%	%	%	%	%

IV. CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERAN BUSINESS

ENTERPRISES: If your firm is currently certified as a minority, women, disadvantaged or disabled veteran owned business enterprise by a public agency, complete the following and attach a copy of your proof of certification. (Use back of form, if necessary.)

Agency Name	Minority	Women	Disadvantaged	Disabled Veteran	Expiration Date

V. DECLARATION: I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE.

Print Authorized Name	Authorized Signature	Print Title	Date
Dennis H. Devermont		President	12/9/03